

COMMITTEE ON PUBLIC SAFETY AND HUMAN SERVICES

SENATE AMENDMENTS TO S.B. 1219

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 36-557, Arizona Revised Statutes, is amended to
3 read:

4 36-557. Purchase of community developmental disabilities
5 services; application; contracts; limitation

6 A. The department may use state and federal funds appropriated or
7 otherwise available to it for this purpose to assist in the establishment and
8 maintenance of local developmental disability services by public or private
9 nonprofit or profit agencies. The funds may be expended as professional fees
10 for service, in contracts for advancement or reimbursement or in another
11 appropriate manner and may be used for any purpose necessary to the provision
12 of local developmental disability services. They may not be used for
13 departmental salaries, care of developmentally disabled persons by the
14 department or any other purpose within the department itself, but they may be
15 used for consultation to the department in the interest of local programs.

16 B. A local public or private nonprofit or profit agency providing or
17 intending to provide community developmental disability services and desiring
18 to contract with the department for the furnishing of such services shall
19 submit a program plan and budget to the department on the forms and in the
20 manner required by the department. If the program meets departmental
21 standards and is consistent with the state plan of the department and the
22 individualized service program plan of the client, the department,
23 notwithstanding the provisions of title 41, chapter 23, relating to
24 procurement and including services pursuant to section 36-2943, may contract
25 with that agency for such services as are required and upon such terms and
26 conditions as the department shall require. THE INDEPENDENT CONSULTING FIRM
27 SHALL INCLUDE IN ITS RECOMMENDATION FOR ANNUAL INFLATIONARY COST PURSUANT TO
28 SECTION 36-2959, SUBSECTIONS A AND E, COSTS ARISING FROM AMENDMENTS TO
29 EXISTING CONTRACTS, UNLESS MODIFIED IN RESPONSE TO FEDERAL OR STATE LAW. The

1 contracts shall provide that the provider of services shall be subject to a
2 continuing program evaluation by the department through progress reports,
3 expenditure reports, program audits or other appropriate evaluation
4 techniques and to assure that the provider of service is in continued
5 compliance with the terms of the contract and the department's community
6 developmental disability service standards and requirements.

7 C. Contracts between the department and a school district or districts
8 shall be subject to approval by the department of education.

9 D. This article does not make the department or the state responsible
10 for funding programs beyond the limits of legislative appropriation for the
11 programs. This article does not require a provider of services to provide
12 unreimbursed services to the department or its clients.

13 E. Contracts to provide community developmental disability services
14 shall require that:

15 1. The contractor is obligated to operate a program or service in
16 strict accordance with the standards adopted for such program or service by
17 the department.

18 2. If state funding is provided for a particular program the
19 contractor, to the extent of positions available which are being purchased by
20 the department, shall provide services to a developmentally disabled client
21 who has been evaluated and placed by the department.

22 3. All contractors must carry liability insurance in amounts approved
23 by the risk management section of the department of administration and file
24 proof of such insurance with the risk management section. The director may
25 waive such requirement on a case by case basis upon a finding that insurance
26 for such program or service is not practicably available at affordable rates
27 and that it is necessary that the program or service be provided by the
28 contractor.

29 4. All clients enrolled in programs shall have all the same specified
30 rights as they would have if enrolled in a program operated directly by the
31 state.

1 5. Except for emergency placement pursuant to section 36-560,
2 subsection N, payment shall not be made based on program services provided to
3 a client if a placement evaluation has not been made, and no individual
4 program has been prepared and when, upon such placement evaluation, no
5 recommendation has been made to enroll the client in the particular program
6 service.

7 This article does not require a contracted agency to provide unreimbursed
8 services to the department or a client of the department.

9 F. Contracts for the purchase of residential care services other than
10 those community residential settings licensed pursuant to this chapter shall,
11 in addition to other general requirements applicable to purchase of care
12 contractors:

13 1. Provide for mandatory inspection by the department every two years
14 for facilities other than group homes.

15 2. Provide for mandatory monitoring by the department for health,
16 safety, contractual and programmatic standards at least every six months.

17 3. Provide for mandatory investigation by the department in response
18 to complaints within ten working days, except that in those instances which
19 pose a danger to the client, the department shall conduct the investigation
20 immediately. Health and safety complaints related to group homes shall be
21 referred to the department of health services on receipt. The department of
22 health services shall share all incident reports related to health and safety
23 with the division of developmental disabilities.

24 4. Except for group homes licensed by the department of health
25 services, specify the health and safety and sanitation codes and other codes
26 or standards applicable to the facility or to the operation of the facility
27 by the contractor other than group homes.

28 5. Provide for mandatory periodic reports to be filed by the provider
29 contractor with the department with respect to the operation of the facility.

30 6. Provide that the facility and the books and records of the facility
31 and of the provider are subject to inspection at any time by employees of the
32 department or designees of the department.

1 7. Provide that parents and guardians of developmentally disabled
2 persons residing at the facility, members of the developmental disabilities
3 advisory council, and members of other recognized and ongoing advocacy groups
4 for developmentally disabled persons may inspect the facility at reasonable
5 times.

6 G. Contracts for purchase of residential care services shall require a
7 community residential setting, as defined in section 36-551, to be licensed
8 pursuant to this chapter other than group homes licensed by the department of
9 health services.

10 H. The division shall ensure that all contracted developmental
11 disabilities service providers rendering services pursuant to this chapter
12 are reimbursed in accordance with title XIX of the social security act.

13 I. Contracts for client services issued by the department shall
14 include language outlining the provisions for a grievance and appeal
15 procedure. The director shall provide notice to providers not less than
16 thirty days prior to the issuance of an amendment to a qualified vendor
17 agreement. Beginning September 1, 2006, the decision of the director
18 regarding qualified vendor agreement amendments may be appealed pursuant to
19 title 41, chapter 6, article 10. The grievance process applicable to these
20 contracts shall comply with title XIX requirements.

21 J. As a condition of contracts with any developmental disabilities
22 service provider, the director shall require terms that conform with state
23 and federal laws, title XIX statutes and regulations and quality
24 standards. The director shall further require contract terms that ensure
25 performance by the provider of the provisions of each contract executed
26 pursuant to this article.

27 K. The division shall establish a rate structure that ensures an
28 equitable funding basis for private nonprofit or for profit agencies for
29 services pursuant to subsection B of this section and section 36-2943. In
30 each fiscal year, the division shall review and adjust the rate structure
31 based on the provisions of section 36-2959. A rate book shall be published

1 and updated by the division to announce the rate structure that shall be
2 incorporated by reference in contracts for client services.

3 L. The division shall disclose to a service provider in the individual
4 program plan defined by section 36-551, AND IN ALL MEETINGS RESULTING FROM A
5 RESPONSE TO A VENDOR CALL, any historical and behavioral information
6 necessary for the provider to be able to anticipate the client's future
7 behaviors and needs INCLUDING SUMMARY INFORMATION FROM THE PROGRAM REVIEW
8 COMMITTEE, UNUSUAL INCIDENT REPORTS REVIEWED BY THE HUMAN RIGHTS COMMITTEE
9 AND BEHAVIORAL TREATMENT PLANS. THE DIVISION SHALL REDACT THE CLIENT'S
10 IDENTIFICATION FROM THIS INFORMATION.

11 M. ON NOTIFICATION OF AN EMERGENCY SITUATION, THE DEPARTMENT SHALL HOLD
12 AN INDIVIDUAL SERVICE PLAN MEETING WITHIN FIFTEEN DAYS AFTER NOTIFICATION AND
13 RESOLVE THE SITUATION WITHIN THIRTY DAYS AFTER NOTIFICATION. TO PROTECT THE
14 HEALTH AND SAFETY OF A CLIENT, A RESIDENTIAL PROVIDER MUST NOTIFY THE
15 DIVISION WITHIN TWENTY-FOUR HOURS IF AN EMERGENCY SITUATION EXISTS THAT:

16 1. ENDANGERS THE HEALTH OR SAFETY OF THE CLIENT OR OTHER CLIENTS.

17 2. MEETS THE HEALTH NEEDS OF A CLIENT DISCHARGED FROM AN INPATIENT
18 FACILITY.

19 3. REQUIRES TEMPORARY ALTERNATIVE APPROPRIATE PLACEMENT OF A CLIENT.”

20 Amend title to conform

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